

FEBRUARY 2016

HSAG COMMUNICATION TO HS INVESTORS – LEGAL FEES

Our offices have received a lot of inquiries lately about how much legal costs investors will still have to pay in order to conduct the case against Mr Nic Georgiou and others. The answer at this point is simply that if each prospective claimant pays a further financial contribution of R1 000 towards legal fees diligently and on time, we would not need to make further trust requisitions for the next 12 months.

The scope of the investments in the Highveld Syndication companies 15-22 is valued to be more than R4.6 billion. This case is complex and extensive and in order to conduct the claims of 12 000 prospective claimants successfully, we require substantial aid and co-operation from everyone. After all, it is the prospective claimants and the investors' interests that we represent and support!

Investors have recently started receiving statements for a contribution to legal costs in the HSAG class action, related court cases and other issues.

We therefore wish to report as follows.

1. All the requisitions that were done at the beginning of this case, 18 months ago (at the beginning of August 2014 until the end of January 2016), made from investors, were for registration costs.
2. The registration of potential claimants is essential and is completed when an investor in the Highveld Syndication companies indicate that he / she / it would support the proposed class action and his / her registration costs are fully paid.
3. The database that is created and updated through this process of registration, contains important information about prospective claimants

and members of the HSAG that are essential for the institution of a class action. However, the HSAG does not have a complete list of all potential claimants in the Highveld Syndication companies and communicating with these investors is difficult because we receive no information about the number of prospective claimants from either the business rescue practitioner, Mr. Hans Klopper, or the Receiver, Mr Derek Cohen.

4. The registration process is thereby severely delayed due to the fact that a large number of potential claimants did not pay their full registration costs all at once and some people have requested to pay their outstanding fees in instalments. There were also unforeseen lawsuits (as per the timeline on the website), which significantly increased the costs and expenses.
5. A message was originally spread by individuals that a contribution of R200 per investor would be sufficient. This message is incorrect and not in accordance with the official website. All official notices appear on the HSAG website - www.hsaction.co.za.
6. It was a forecast at the beginning of the proceedings in 2014 that, if all investors were to pay their full registration costs (R1 000 at the time), we would, for a year or two (or even more), not find it necessary to make any further requisitions. (See FAQ's No. 13 on site).
7. The registration costs so far covered both the administrative and legal costs. From the timeline and court documents that made available to the prospective claimants however, it is clear that the cases are not only complex, but that they have also developed further and become extensive with many facets (see, inter alia, the documents placed on the website).
8. The opposition has tried to raise all possible technicalities and tactics in order to delay the hearing of the matter.

9. On 27 January 2016, the lawyers of Orthotouch and Mr Derek Pedoe Cohen required that the HSAG applicants deposit an amount of R1.5 million for security into an independent attorney's trust account within ten (10) days, or alternatively provide a bank guarantee for the security of costs for the case. It is, in other words, money from investors' contributions.
10. **The above, as well as all the other cases and related matters over the past 18 months, has resulted in a necessary request for legal costs. Cases of this nature take considerable time and money and a contribution of R1 000 per syndication is a drop in the ocean of the total amount of claims, which amounts to literally billions of rands.**
11. **If the prospective claimants neglect their contribution to costs, it will unfortunately mean that the trial cannot continue or be heard.**
12. **The next court date, as it appears on the timeline, is 15 March 2016.**

We would therefore like to make an urgent appeal to all prospective claimants to give their cooperation and support in this regard. The legal team believes that the prospective claimants, on the basis of the information currently available to us, have a worthy cause. We must, however, make our clients well aware of the fact that the opposition also has a considerable interest to protect the billions that form the subject of the proceedings, and that they will leave no stone unturned in order oppose the cases that have been instituted against them.

It has come to our attention that Mr. Derek Pedoe Cohen (according to instructions from the pen of Mr. Connie Myburgh) seeks through writings to desperately try and discourage potential claimants from making contributions and donations to the class action (because it would supposedly be illegal). The

above is pure nonsense and a clear attempt to prevent customers from bringing their cases before an open court. Orthotouch is also working to misappropriate some key players of the class action with excessive cash offers in order to impede the urgency of the class action. Everyone, however, can rest assured and be satisfied that no single person is more important to us than the class action and that the process will continue with or without such persons.

Prospective claimants should be mindful that there are some people (especially on social media) that will do anything (and get paid) to discredit and divide our management, supporters and our legal team.

Due to the large volume of work and number of persons to whom information and e-mails are sent, we have started to send out statements in January 2016 for contributions to legal fees from the prospective claimants amounting to R1 000.00 per syndication in which is invested.

Please note that we have not asked for contributions to legal costs before, but only registration costs.

If you have any enquiries, please feel free to contact our offices.

We only have the investors' best interests at heart and you can rest assured that you have our unqualified support and loyalty.

Kind regards

THERON & PARTNERS
STELLENBOSCH